Five Year Forecast

Board of Education Meeting
November 22, 2021

THE FUTURE IS BRIGHT

CINCINNATI PUBLIC SCHOOLS
PREPARING STUDENTS FOR LIFE
Purpose of the Forecast

- Monitor and report school district solvency
- Focus on the General Operating Fund
- Supports Financial Transparency
- Tool to plan for future financial decision making
- Format is standardized and required by Ohio Department of Education
  - Three years of actual data, current year (budget) and four years of forecasted data.
- Filed twice each fiscal year (November and May)

Factors Influencing the Forecast

- Ohio’s Fair School Funding Plan (FSFP)
- Inflationary rates
- Pandemic Spending / Federal Related Budgets- Future return to the General Fund (ie- “CLIFF” Plan)
- Student Enrollment Projections versus Actual Enrollment
- Collective Bargaining Agreements
It’s ALL about CASH!

CPS Multi-Year Financial Plan

- Within the 3 year window, cannot show a *forecasted* negative cash balance.
- Board guidelines – no new levies in forecast window

Keys to Maintaining Positive Cash Balances

- Voter approval of tax levy renewals
- Ohio full implementation of the Fair School Funding Plan (6-year plan)
- District control of budget / expenditure growth
- Anticipate “CLIFF” Plan expenditures returning to the General Fund FY23-FY25.
Ohio’s Fair School Funding Plan (FSFP)

• Current Biennium Budget (July 1, 2021 to June 30, 2023)

  Brief Overview:

  o Eliminates Pass-through Funding for Community Schools and Scholarships (District Educated vs. Resident Students)
    o Revenues & Expenditures (Tuition)

  o Calculates Base Cost to educate a student that is unique to each district.
    o Statewide average teacher salary $62,193 (CPS = $ 71,225)
    o Increases categorical funding
      o Student with Disabilities
      o English Language Learners
      o Gifted
      o DPIA (Disadvantaged Pupil/Impact Aid)
Ohio’s Fair School Funding Plan (FSFP)

- CPS State Share decreased from 46% to 43%

- Student Wellness Funding (*inside formula and subject to state share*)
  - FY21 $12.5M to FY22 $3.2M

- Anticipates a six year period for full implementation; however future legislation will be necessary in the next two biennium budgets.
  - Phase in – lost revenues
    - FY22 = $49M   FY23 = $39M   Combined = $88M
Ohio’s Fair School Funding Plan (FSFP)

Total Average Daily Membership (ADM) Compared to District Educated K-12 w/preschool disabilities

Note: Total ADM includes community school, open enrollment "out", scholarships, STEM.
Ohio’s Fair School Funding Plan (FSFP)

• Base Cost – Overview

FY 2022 Total Base Cost Per Pupil = $7,211

- 56.4% Local
- 43.6% State

Local Share Per Pupil, $4,066
State Share Per Pupil, $3,145
Revenues—Overview

Total General Fund Revenue

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Revenue</th>
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<tbody>
<tr>
<td>2019</td>
<td>$615,637,650</td>
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<tr>
<td>2020</td>
<td>$612,704,950</td>
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<tr>
<td>2021</td>
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<tr>
<td>2026</td>
<td>$594,876,733</td>
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</table>
Revenues – State Aid

FY22 - Impact of the elimination of pass-through funding.
Expenditures– Overview

Total General Fund Expenditures

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Expenditures</th>
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<tbody>
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<td>$617,640,591</td>
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<tr>
<td>2020</td>
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<td>2025</td>
<td>$658,497,208</td>
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<td>2026</td>
<td>$662,015,827</td>
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Forecast Summary

Note: above excludes effects of 8.010 Estimated Encumbrances
Student-Centered Decision Making
Health and Safety
Community Engagement and Influence
Optimized Capabilities
Growth